



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill #	HB0393	Title:	Registration and regulation of home inspectors
Primary Sponsor:	Henry, Teresa K	Status:	As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$5,250	\$3,850	\$3,850	\$3,850
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$5,250	\$3,850	\$3,850	\$3,850
Net Impact-General Fund Balance	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of Fiscal Impact:

The fiscal impact from this bill will be the cost associated with the administration of a licensing program for home inspectors.

FISCAL ANALYSIS

Assumptions:

1. There will be 150 registered home inspectors in FY 2008 generating \$5,250 in revenue. (FY 2008 - 150 x \$35 each = \$5,250)
2. Registration will include reviewing a standard application, training, and exam results.
3. FY 2008 operating costs are estimated at \$3,350 (\$650 estimated for office supplies + \$400 printing charges + \$300 postage + \$650 for phone and communication expenses + \$500 educational materials from industry and subscriptions + \$850 administrative cost allocation = \$3,350.)

4. FY 2009 operating costs are estimated at \$2,350. (\$500 estimated cost for office supplies + \$300 printing charges + \$250 postage + \$350 for phone and communication expenses + \$450 educational materials from industry and subscriptions + \$500 administrative cost allocation= \$2,350.)
5. Estimated annual cost to modify data base and website \$1,000
6. The department anticipates 2 complaints per year regarding the professional conduct of a registered home inspector. (FY 2009 - \$500 complaint processing, research materials and investigative costs).
7. The department will propose rules to implement the statute. (FY 2008 - \$300 court reporting for rule hearing + \$600 Secretary of State filing fees for rules pages) = \$900.
8. The department will renew registrations annually. Ten home inspectors will not renew each year. (FY 2009 140 x 25 = \$3,500)
9. Ten new home inspectors will register each year. (FY 2009 - 10 new applicants x \$35 = \$350)

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Operating Expenses	\$5,250	\$3,850	\$3,850	\$3,850
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$5,250	\$3,850	\$3,850	\$3,850
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$5,250	\$3,850	\$3,850	\$3,850
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0

Technical Notes:

The bill speaks in term of "registration" rather than "licensing", and as such appears inconsistent with terminology generally used in Title 37. Current usage of the term "registration" implies to simply "signing up" to advise the department of the person's practice of the occupation (without the person having to meet any particular competency qualifications), whereas the term "licensing" indicates that the person must meet certain qualifications, and/or pass an examination, in order to engage in the occupation. The use of the term "licensed home inspector" and describing the program as a "licensing" program appears appropriate and consistent with the way the terms are generally used in Title 37 and elsewhere in Montana law.

Sponsor's Initials

Date

Budget Director's Initials

Date